

Annual Report 1999-2000

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PODDAR PIGMENTS LTD.

BOARD OF DIRECTORS

Smt. Kusum Poddar

Shri M. K. Sonthalia

Shri N. Gopalaswamy

Shri Rajat Dalmia

Shri R. K. Sureka, Whole-Time Director

Shri S. S. Poddar, Managing Director

AUDITORS

M/s. K. N. Gutgutia & Company

Chartered Accountants

New Delhi

BANKERS

State Bank of India

Canara Bank

REGISTERED OFFICE & WORKS

RIICO Industrial Area,

Sitapura, Jaipur - 302 022

(Rajasthan)

HEAD OFFICE

Satyam Towers

3, Alipore Road,

Calcutta - 700 027

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PODDAR PIGMENTS LTD.

AN ISO 9002 COMPANY

NOTICE

Notice is hereby given that the **Ninth Annual General Meeting** of the Company will be held at the Registered Office of the Company at **RIICO Industrial Area, Sitapura, Jaipur-302 022 (Rajasthan)** on **Monday, the 25th September, 2000 at 4.00 p.m.** to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ended 31st March, 2000 and the Balance Sheet as at that date and the Directors' and Auditors' Report thereon.
2. To appoint a Director in place of Shri M. K. Sonthalia who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint the Auditors and to fix their remuneration.

SPECIAL BUSINESS

4. To consider and if thought fit, to pass with or without modification (s), the following resolution as a special resolution :

"RESOLVED THAT subject to the provisions of the Companies Act, 1956, Securities Contracts (Regulation) Act, 1956 and the rules framed thereunder, listing agreements and all other applicable laws, rules, regulations and guidelines and subject to such approvals, permissions and sanctions, as may be necessary and subject to such conditions as may be prescribed or imposed by any authority while granting such approvals, permissions and sanctions, if acceptable to the Board, the consent of the Company be and is hereby accorded to the Board to get the equity shares of the Company delisted from the Stock Exchanges at Ahmedabad and Delhi."

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as a special resolution :-

"RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be altered in the following manner :-

- (A) Insert the following Article as Article 42 A & 42 B after Article 42 :-

42A "Nomination": Every holder of shares in, or debentures of the Company may at any time

nominate in the manner prescribed under the Act, a person to whom his shares in, or debentures of the Company shall vest in the event of death of such holder.

Where the Shares in, or debentures of the Company are held by more than one person jointly, the joint holders may together nominate, in the prescribed manner, a person to whom all the rights in the shares or debentures of the Company as the case may be, held by them shall vest in the event of death of all joint holders.

Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, or in these Articles, in respect of such shares in or debentures of the Company, where a nomination made in the prescribed manner purports to confer on any person the right to vest the shares in or debentures of the Company, the nominee shall, on the death of the holder, or as the case may be, on the death of the joint holders of shares or debentures become entitled to all the rights of the deceased holder or, as the case may be, of all the deceased joint holders in such shares or debentures to the exclusion of all other persons, unless the nomination is varied or cancelled in the manner prescribed under the provisions of the Act.

Where the nominee is a minor, it shall be lawful for the holder of the shares or debentures to make the nomination to appoint, in the manner prescribed under the provisions of the Act, any person to become entitled to shares in or debentures of the Company, in the event of his death, during the minority.

The provisions of this Article shall apply mutatis mutandis to a depositor of money with the Company as per the provisions of Section 58A of the Act.

42B "Transmission in the name of nominee" :-

Any person who becomes a nominee by virtue of the provisions of Article 42A, upon production of such evidence as may be required by the Board and subject as hereinafter provided, shall elect, either :-



To be registered himself as holder of the shares or debentures, as the case may be; or

To make such transfer of the shares or debentures, as the case may be, as the deceased shareholder or debenture holder, could have made.

If the nominee elects himself to be registered as holder of the shares or debentures, as the case may be, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects and such notice shall be accompanied by the certificate of death of the deceased holder and the certificate (s) of shares or debentures, as the case may be, held by the deceased in the Company.

Subject to the provisions of Section 109B (3) of the Act and these Articles, the Board may register the relevant shares or debentures in the name of the nominee or the transferee as if the death of the registered holder of the shares or debentures had not occurred and the notice or transfer were a transfer signed by the registered holder.

A nominee on becoming entitled to any shares or debentures by reason of the death of the holder or joint holders shall be entitled to the same dividends and other advantage to which he would have been entitled if he were the registered holder of the shares or debentures, except that he shall not, before being registered as a holder of such shares or debentures, be entitled in respect of them to exercise any right conferred on a member or debenture holder in relation to meetings of the Company.

The Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the shares or debentures, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses, interest or other moneys payable or rights accrued or accruing in respect of the relevant shares or debentures, until the requirements of the notice have been complied with."

- (B) In Article 2 after the definition of "Seal", the following definitions be inserted :-

"Beneficial Owner" shall have the meaning

assigned thereto in section 2 of the Depositories Act, 1996.

"Depositories Act" shall mean the Depositories Act, 1996 and includes any statutory modification or enactment thereof for the time being in force.

"Depository" shall mean the depository as defined in the Depositories Act, 1996.

- (C) After the heading "Certificates" and existing Article 9, the following four Articles numbered 9 A to 9 D be inserted under the heading "Dematerialisation and Depository"

"Authority to dematerialize Securities."

9A (1) Notwithstanding anything to the contrary contained in these Articles, the Board may at any time decide to permit holding or any dealings in any or all the shares or debentures or other securities of the Company (hereinafter referred to as "securities") in dematerialized form under the provisions of the Depositories Act and may offer the securities of the Company for subscription/allotment in dematerialized form in the manner provided by the said Act.

- (2) When any securities of the Company are held or dealt in dematerialized form :-

"Option to hold securities in certificates or with Depository".

- (a) Every person holding any securities of the Company through allotment or otherwise shall have the option to receive and hold the same in the form of certificates or to hold the same with a depository.

"Securities with Depository to be dematerialized."

- (b) All securities held with a depository shall be dematerialized and the depository shall hold the same for the beneficial owners thereof in a fungible form.



- (c) Every person holding securities of the Company and whose name is entered as a beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of the securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of the securities held by him in a depository.

"Beneficial owner may opt out of a depository."

- (d) Every person holding securities of the Company with a depository, being the beneficial owner thereof, may at any time opt out of the depository in the manner provided under the provisions of the Depositories Act and on exercise of such option and on fulfilment of the conditions and payment of the fees prescribed under the said Act, the Company shall rematerialise the relevant securities and issue to the beneficial owner thereof the requisite certificates of such securities.

"Intimation to Depository."

- 9B (1) The Company shall make available to the depository copies of the relevant records in respect of securities held by such depository for the beneficial owners thereof.

- (2) When a holder or an allottee of securities opts to hold the same with a depository, the Company shall intimate such depository the details of his holdings or allotment of securities and thereupon the depository shall enter in its record the names of the holders/allottees as the beneficial owners of such securities.

"Register and Index of Beneficial Owners."

- 9C The Register and Index of Beneficial Owners of securities maintained by a depository under Section 11 of the Depositories Act shall be deemed to be and forming part of the Register and Index of Members or of holders of Debentures or other securities of the Company.

"Transfer of securities held in a Depository."

- 9D (1) Transfers of securities held in a depository will be governed by the Depositories Act.

- (2) Every depository shall furnish to the Company, information about the transfer of securities, the name of beneficial owners at such intervals and in such manner as may be specified under the provisions of the Depositories Act.

- (3) Section 108 of the Act shall not apply to transfer of securities effected by the transferor and the transferee both of whom are entered as beneficial owners in the records of a depository.

- (D) "The Company shall not charge any fee--" appearing in the clause 11 just before sub clause (A) of the Article 11 be substituted by the words "Subject to Article 9A, the Company shall not charge any fee."

- (E) After sub-clause (d) of the existing Article 12, the following sub-clause be added :

"(e) In respect of the shares or other securities of the company held in dematerialized form, the provision relating to joint holders contained in these Articles shall mutatis mutandis apply to the joint beneficial owners."

- (F) After existing Article 33 the following Article numbered 33A be inserted :

"33A Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of shares, debentures or other securities on behalf of beneficial owners and shall not have any voting rights or any other rights in respect of shares, debentures and other securities held by it. The beneficial owner as per the Register of Beneficial Owners maintained



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by a Depository shall be entitled to all rights including voting rights and benefits in respect of the securities held by him with the Depository."

(G) Article No. 3 be amended in the following manner :

3. The Authorised Share Capital of the Company is Rs. 12,50,00,000/- (Rupees : Twelve Crore Fifty Lacs only) divided into 1,25,00,000 (One crore Twenty five lacs) equity of Rs. 10/- (Rupees : Ten only) each or such number of shares of Rs. 1/- or more in multiples of Rs. 1/- but not more than Rs. 10/- each as the Company decides from time to time with such rights, privileges and conditions attached thereto. The Company has and shall always have power to increase or reduce its capital from time to time and to vary, modify or abrogate any rights, privileges or conditions attached to any class of shares in such manner as may for the time being provided by the regulations of the Company.

(H) Article No. 55 be amended in the following manner :-

55. The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks proper as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied and pending such application may at the like discretion, either be employed in the business of the Company or be invested in such investments (other than in the shares of the Company, except in the process of "Buy-back" of its own shares) as the Board may from time to time think fit. The Board may also carry forward any profits which it may think prudent not to divide without setting them aside as a reserve.

(I) Article no. 119 be amended in the following manner :

119. Unless otherwise directed, any dividend may be paid by Electronic Clearing

Services (ECS) or cheque warrant or postal money-order sent through the post to the Registered address of the member or person entitled thereto or in the case of joint-holder to the registered address of that one whose name stands first on the Register in respect of the joint-holding or to such person and at such address as the member or person entitled or such joint-holders, as the case may be, may direct.

(J) Article no. 120. be amended in the following manner :

120. The payment of every cheque or warrant or through Electronic Clearing Services (ECS) sent under the provisions of the last proceeding Article, shall, if such cheque or warrant or ECS or purports to be duly endorsed, be a good discharge to the Company in respect thereof; Provided nevertheless that the Company shall not be responsible for the loss of any cheque, dividend warrant or postal money order which shall be sent by post to any member or by his order to any other person in respect of any dividend.

6. To consider and if thought fit, to pass with or without modification (s), the following resolution as an ordinary resolution :

"RESOLVED THAT clause V of the Memorandum of Association of the Company be altered in the following manner :

V. The Authorised Share Capital of the Company is Rs. 12,50,00,000/- (Rs. Twelve Crores Fifty Lacs only) divided into 1,25,00,000 (one crores twenty five lacs) Equity shares of Rs. 10/- (Rupees ten only) each or such number of shares of Re. 1/- or more in multiples of Re. 1/- but not more than Rs. 10/- each."

By Order of the Board

(KAMAL DALUKA)

**Sr. Manager (Finance)
& Dy. Secretary**

PLACE : JAIPUR

DATE : 27TH JULY, 2000

**NOTE :**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

PROXIES IN ORDER TO BE EFFECTIVE MUST REACH THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR THE MEETING.

2. The Register of Members and Share Transfer Books of the Company shall remain closed from **18th September, 2000 to 25th September, 2000 (both days inclusive).**
3. Members are requested :
 - (a) to bring their copy of the Annual Report at the Meeting.
 - (b) to notify any change in their address to the Company.
4. The instrument of Share Transfer complete in all respect should be sent so as to reach to the Registered Office of the Company prior to the closure of the Register of Members as stated above.
5. The copies of relevant documents can be inspected at the Registered Office of the company on any working day till the date of Ninth Annual General Meeting from 10.30 A.M. to 12.30 P.M.

ANNEXURE TO NOTICE

Explanatory Statement (Pursuant to section 173(2) of the Companies Act, 1956).

Item No. 4

Presently, the shares of the Company are listed on following four Stock Exchanges in India :

1. The Stock Exchange, Mumbai.
2. The Jaipur Stock Exchange Ltd., Jaipur.
3. The Delhi Stock Exchange Association Ltd., Delhi.
4. The Stock Exchange, Ahmedabad.

With extensive network of the Stock Exchange, Mumbai

(BSE) investors have access to online dealings in the Company's shares across the country. The bulk of the trading in the Company's equity shares takes place only on the BSE and the volume of trading on the Ahmedabad and Delhi Stock Exchanges is very low.

As a part of its cost reduction measures, the Company has proposed this resolution, which will enable it to delist its equity shares from Ahmedabad and Delhi Stock Exchanges.

In accordance with SEBI regulations, members approvals is being sought for enabling voluntary delisting of its equity shares from the said Stock Exchanges.

Therefore, the Directors recommend this Resolution for members' approval by means of Special Resolution.

None of the Directors is concerned or interested in this Resolution.

Item No. 5

The Companies Act 1956 as amended by the Companies (Amendment) Act 1999 has provided to every holder of securities or depositor with Companies an option to nominate a person to whom the rights of the holders of any securities of, or of the depositor with, a Company shall vest in the event of the death of the holder of such securities or of the depositor.

Necessary amendments are proposed in the Articles to provide for the nomination facility to the holders of the securities of and the depositors with the Company.

The Depositories Act, 1996, provides an option to the investors to hold securities of a Company in the form of physical certificates or in the dematerialized form with a depository. The Depositories Act has also amended some of the provisions of the Companies Act 1956 pertaining to issue, holding, transfer, transmission and dealing in shares and other securities to facilitate the introduction and implementation of the depository system. The Securities and Exchange Board of India (SEBI) has already made trading in the shares of the Company compulsorily in dematerialized form w.e.f. 26.12.2000.

In the depository system the face value of shares can be less than Rs. 10/- in multiples of Rs. 1/- each.

Depository systems eliminates several problems experienced in the scrip-based system such as bad



deliveries, fraudulent transfers, thefts in postal transit, time taken in registration of transfers, long settlement cycles, mutilation of share certificates etc. Depository system also offers several advantages like exemption from stamp duty, reduction in transaction costs, elimination of market lot etc. In view of this and to make the Articles of Association of the Company conform to the provisions of the Depositories Act, necessary clauses are sought to be incorporated in the Articles of Association of the Company authorising the Board of Directors to permit holding of and dealings in the securities of the Company in dematerialized form under the provisions of the Depositories Act.

The enabling clause 47A was inserted in the Articles of Association for buy back of its own shares by the Company and clause 55 is being proposed to be amended to enable the Company to make Investments in its own shares for the purpose of buy-back.

Now, the dividend can also be paid through Electronic Clearing Systems (ECS). Clauses 119 & 120 are being proposed to be amended to enable the Company to avail the facility of ECS whenever it is required.

Pursuant to Section 31 of the Companies Act, 1956, approval of the members is necessary for the above amendments in the Articles of Association of the Company.

The Directors therefore recommend this Resolution to

the members for their approval by means of a Special Resolution.

None of the Directors is concerned or interested in this Resolution.

Item No. 6

The Depositories Act, 1996 provides an option to the investors to hold the securities of a Company in the form of physical certificates or in the dematerialized form with a depository.

In the depository system the face value of shares can be less than Rs. 10/- in multiples of Re. 1/- each.

In view of the above approval of the members is necessary for amendments in the Memorandum of Association of the Company.

The Directors therefore recommend this Resolution to the members for their approval by means of an Ordinary Resolution.

None of the Directors is concerned or interested in this Resolution.

By Order of the Board

KAMAL DALUKA
Sr. Manager (Finance)
& Dy. Secretary

PLACE : JAIPUR

DATE : 27th JULY, 2000

INFORMATION ABOUT LISTING OF SHARES AND PAYMENT OF LISTING FEES

The Equity Shares of the Company are listed at the following Stock Exchanges :

- | | |
|---|--|
| <p>(i) The Jaipur Stock Exchange Ltd.,
Stock Exchange Building,
Jawahar Lal Nehru Marg,
Malviya Nagar, JAIPUR - 302 017.</p> | <p>(iii) The Delhi Stock Exchange Association,
DSE House,
3/1, Asaf Ali Road,,
NEW DELHI - 110 002.</p> |
| <p>(ii) The Stock Exchange Mumbai,
Phiroze Jeejeebhoy Towers,
25th Floor Dalal Street,
Fort, MUMBAI - 400 001.</p> | <p>(iv) The Stock Exchange Ahmedabad,
Kamdheni Complex,
Opp. : Sahajanand College,
Panjara Pole, AHMEDABAD - 380 015</p> |

The listing fee in respect of all the above said Stock Exchanges has since been paid for the Financial Year 2000-2001.